Financial Statement
1998-99

School Division Tax Loss Compensation Fund

100-04321/

Letter of Transmittal

The Honourable J. Wiebe
Lieutenant Governor
Province of Saskatchewan

Sir:

I have the honour to submit for your consideration the Financial Statements of the School Division Tax Loss Compensation Fund for the year ending March 31, 1999.

Respectfully submitted:

Jim Melenchuk
Minister of Education

SCHOOL DIVISION TAX LOSS COMPENSATION FUND

FINANCIAL STATEMENTS

For the Year Ended March 31, 1999

SASKATCHEWAN

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AUDITOR'S REPORT

To the Members of the Legislative Assembly of Saskatchewan

I have audited the balance sheet of the School Division Tax Loss Compensation Fund as at March 31, 1999 and the statement of revenue, expenditure and fund balance for the year then ended. The School Division Tax Loss Compensation Fund's management is responsible for preparing these financial statements for Treasury Board's approval. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the School Division Tax Loss Compensation Fund as at March 31, 1999 and the results of its operations and the changes in its cash flows for the year then ended in accordance with generally accepted accounting principles.

Wayne Strelioff

Regina, Saskatchewan
September 16, 1999

Wayne Strelioff, CA
Provincial Auditor

School Division Tax Loss Compensation Fund
Balance Sheet
As at March 31, 1999

	1999	1998
ASSETS		
Due from General Revenue Fund (Note 4)	1,709,175	1,128,612
Accounts Receivable	160,759	0
	1,869,934	1,128,612
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts Payable	337,305	422,937
Fund balance (Statement 2)	1,532,629	705,675
	1,869,934	1,128,612

(See accompanying notes to the financial statements)

School Division Tax Loss Compensation Fund
Statement of Revenue, Expenditure and Fund Balance
As at March 31, 1999

	1999	1998
REVENUE:		
Contributions	2,967,582	1,394,161
Investment Interest	85,059	30,788
Total revenue	3,052,641	1,424,949
EXPENDITURE:		
Compensation to school divisions	2,225,687	1,045,621
Surplus	826,954	379,328
Fund balance, beginning of year	705,675	326,347
Fund balance, end of year (Statement 1)	1,532,629	705,675

(See accompanying notes to the financial statements)

SCHOOL DIVISION TAX LOSS COMPENSATION FUND
NOTES TO THE FINANCIAL STATEMENTS
March 31, 1999

1. **Purpose and Creation of the Fund**

The School Division Tax Loss Compensation Fund (Fund) was created by an amendment to *The Education Act* through *The Treaty Land Entitlement Implementation Act.* The amendment came into force on June 22, 1993. On December 14, 1994, by Order in Council #840/94 the Lieutenant Governor in Council established regulations to administer the Fund.

The Fund is administered by the Department of Education on behalf of school boards. The purpose of the Fund is to provide tax loss compensation to school divisions that lose tax revenue as a result of lands within that school division being set apart as an Indian reserve. The Fund receives money from the provincial (Intergovernmental and Aboriginal Affairs) and federal (Indian and Northern Affairs Canada) governments as part of the Treaty Land Entitlement Framework Agreement. Payments are made to affected school divisions according to the formula stated in the regulations.

2. **Significant Accounting Policies**

The financial statements are prepared in accordance with generally accepted accounting principles. The following accounting policies are considered significant:

a) accrual basis

The financial statements are prepared on the accrual basis of accounting.

3. **Related Party Transactions**

The fund has not been charged with any administrative costs and no provision for such costs is reflected in these statements. These costs are borne by the Department of Education. Included in revenue is $890,275 from Intergovernmental and Aboriginal Affairs, there was no receivable at March 31, 1999.

4. **Due From General Revenue Fund**

The monies of the Fund are deposited in the General Revenue Fund. Under this arrangement, interest is calculated on the net position of the School Tax Loss Compensation Fund.

The Fund's share of this interest is allocated to it by the General Revenue Fund on a quarterly basis using the Government's thirty day borrowing rate.

5. **Compensation to School Divisions**

The following lists the organizations that received money from the Fund for the year ended March 31, 1999.

Organization	Amount	
	1998-99	1997-98
Battlefords School Division #118	118,174	43,792
Biggar School Division #50	26,980	114,967
Borderland School Division #68	18,003	0
Broadview School Division #18	126,584	59,152
Crystal Lakes School Division #120	35,770	0
Cupar School Division #28	188,759	112,656
Deer Park School Division #26	32,409	27,651
Eastend School Division #8	35,662	0
Kamsack School Division #35	41,331	0
Landswest School Division #123	106,501	48,303
Maple Creek School Division #17	6,406	0
Meadow Lake School Division #66	561,600	0
Moosomin School Division #9	4,667	0
Northern Lakes School Division #64	317,904	264,501
Paynton School Division #102	4,821	0
Potashville School Division #80	81,884	29,194
Prairie View School Division #74	0	96,488
Sask. Central School Division #121	4,733	40,469
Saskatchewan Valley School Division #49	64,161	15,157
Scenic Valley School Division #117	83,898	14,056
Shamrock School Division #38	129,260	144,406
Thunder Creek School Division #78	0	4,532
Turtleford School Division #65	0	10,530
Wadena School Division #46	5,894	0
Wakaw School Division #48	106,665	0
Yorkdale School Division #36	123,621	19,767
Total	2,225,687	1,045,621